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OFFICE OF THE
COMPTROLLER
OF THE PUBLIC ACCOUNTS
STATE OF LOUISIANA
Baton Rouge, Louisiana

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA**
**Basic Financial Statements
and Independent Auditors' Reports**
As of and for the Year Ended June 30, 2008
With Supplemental Information

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/31/08

LOUISIANA STATE BOARD OF NURSING
17373 Perkins Rd.
Baton Rouge, LA 70810
(225) 755-7500

GOVERNING BOARD

As of June 30, 2008

Nursing Educators

Bonnie B. Johnson, RN, MSN
Gail M. Porrier, RN, DNS
Nora Steel, DNS, RN, C, PNP

Nursing Administrators

Gerald W. Bryant, RN, MSN
Frankie Rosenthal, MSN, RN, CNA, CNS

Other Areas of Nursing

Carlene MacMillan, RN, MN
Deborah Olds, RN
Michelle T. Oswalt, CRNA

Advanced Practice Nursing

James E. Harper, RN, MSN, CFNP

Non-voting Medical Doctors

Alan J. Ostrowe, MD
William St. John LaCorte, MD

Barbara Morvant, Executive Director

LOUISIANA STATE BOARD OF NURSING
17373 Perkins Rd.
Baton Rouge, LA 70810
(225) 755-7500

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

**Board Members of
Louisiana State Board of Nursing
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana**

We have audited the accompanying basic financial statements of the **Louisiana State Board of Nursing**, a component unit of the State of Louisiana, as of and for the year ended June 30, 2008, as listed in the Table of Contents. These basic financial statements are the responsibility of **Louisiana State Board of Nursing's** management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards and the guide require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We were unable to satisfy ourselves regarding the amounts accrued relating the other post employment benefits (OPEB) liability accrual and the related expense. The amounts of Actuarial Accrued Liability and the Normal Cost were calculated by specialists employed by management of the State of Louisiana. We were unable to make appropriate tests of the data supplied to the specialists nor were we able to evaluate the nature, objectives, scope and methodology utilized by management's specialist in calculating the OPEB liability.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves regarding the appropriateness of the OPEB liability, the basic financial statements referred to above present fairly, in all material respects, the financial position of the **Louisiana State Board of Nursing**, as of June 30, 2008, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying Management's Discussion and Analysis, as listed in the Table of Contents, is required supplementary information and therefore, is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2008, on our consideration of the **Louisiana State Board of Nursing's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the **Louisiana State Board of Nursing's** basic financial statements. The accompanying supplementary information, such as the Division of Administration Reporting packet, as listed in the table of contents is presented for purpose of additional analysis and are not a required part of the basic financial statements of the **Louisiana State Board of Nursing**. Such information has been subjected to the auditing procedures applied in the audit of the basic

financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Leroy J. Chustz

Certified Public Accountant, APAC
August 14, 2007

Beverly A. Ryall

Certified Public Accountant

Required Supplemental Information

Management's Discussion and Analysis

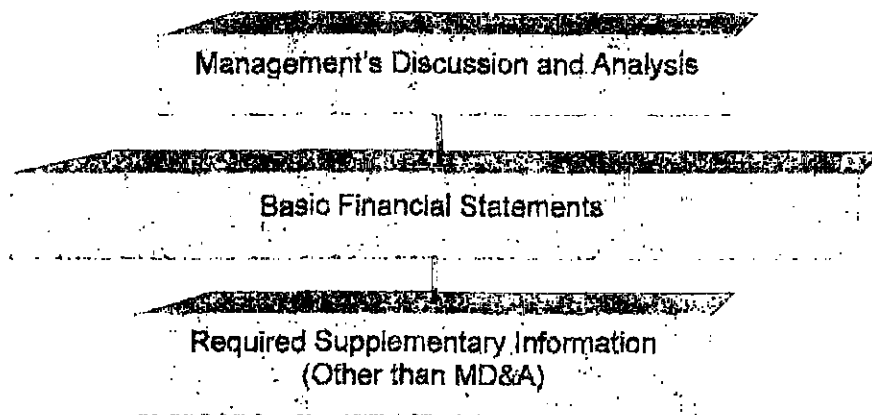
The Management's Discussion and Analysis of the Louisiana State Board of Nursing's financial performance presents a narrative overview and analysis of the Board's financial activities for the year ended June 30, 2008. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction the Louisiana State Board of Nursing's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

- ★ The Louisiana State Board of Nursing's assets exceeded its liabilities at the close of fiscal year 2008 by \$7,506,573 which represents a 14.68% increase from last fiscal year. The net assets increased by \$ 960,743.
- ★ The Louisiana State Board of Nursing's revenue increased \$180,145 or 3.41% and the net results from activities decreased by \$1,045,579 or 52.11%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

Basic Financial Statements

The basic financial statements present information for the Louisiana State Board of Nursing as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Louisiana State Board of Nursing is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how the Louisiana State Board of Nursing's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows presents information showing how the Louisiana State Board of Nursing's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
as of June 30, 2008

	Total	
	2008	2007
Current and other assets	\$ 6,926,896	\$ 6,738,883
Capital assets	3,782,199	2,281,651
Total assets	10,709,095	9,020,534
Other liabilities	975,552	158,695
Long-term debt outstanding	2,226,971	2,316,008
Total liabilities	3,202,523	2,474,703
Net assets:		
Invested in capital assets, net of debt	1,583,767	110,805
Restricted		
Unrestricted	5,912,806	6,435,025
Total net assets	\$ 7,506,573	\$ 6,545,831

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of the Louisiana State Board of Nursing increased by \$ 960,743, or 14.68%, from June 30, 2007 to June 30, 2008.

Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended June 30, 2008

	<u>Total</u>	
	<u>2008</u>	<u>2007</u>
Operating revenues	\$ 5,201,306	\$ 4,979,298
Operating expenses	(4,375,478)	(3,187,961)
Operating income(loss)	<u>825,828</u>	<u>1,791,337</u>
Non-operating revenues(expenses)	<u>134,915</u>	<u>214,985</u>
Income(loss) before transfers	<u>960,743</u>	<u>2,006,322</u>
Transfers in		
Transfers out		
Net increase(decrease) in net assets	<u>\$ 960,743</u>	<u>\$ 2,006,322</u>

The Louisiana State Board's total revenues increased by \$180,145 or 3.41%. The total cost of all programs and services increased by \$1,165,547 or 36.31%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2008, the Louisiana State Board of Nursing had \$3,782,199 invested in a broad range of capital assets, including land, building, and various office equipment. This amount represents a net increase (including additions and deductions) of \$1,331,557, or 50.55%, over last year.

	<u>2008</u>	<u>2007</u>
Land	\$ 1,150,000	\$ 1,150,000
Buildings and improvements	2,339,887	1,085,000
Equipment	<u>292,312</u>	<u>46,651</u>
Totals \$	<u>3,782,199</u>	<u>2,281,651</u>

This year's major additions included (in thousands):

- Building improvements - \$1,315,012
- Equipment - \$319,015

Debt

The State Board of Nursing had \$2,069,768 notes outstanding at year-end, compared to \$2,170,846 last year.

Outstanding Debt at Year-end (in thousands)		
	<u>2008</u>	<u>2007</u>
General Obligation Bonds	\$	\$
Revenue Bonds and Notes	<u>2,069,768</u>	<u>2,170,846</u>
Totals	\$ <u><u>2,069,768</u></u>	\$ <u><u>2,170,846</u></u>

Other obligations include accrued vacation pay and sick leave.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$729,455 over budget and expenditures were \$568,341 less than budget due in part to all employee positions not being filled during the entire year, along with a decrease in rent and office expenditures.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Board expects that next year's expenditures will increase as a result of additional staff and related benefits. Increases are also expected as a result of increased costs associated with the new building.

CONTACTING THE LOUISIANA STATE BOARD OF NURSING'S MANAGEMENT

- This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Louisiana State Board of Nursing's finances and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board office at (225)755-7500.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Proprietary Fund Financial Statements:
 - Enterprise funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF NET ASSETS
JUNE 30, 2008

ASSETS

Current Assets

Cash and cash equivalents	\$ 2,928,859.95
Investments - Market Value	3,975,833.72
Receivables	2,540.75
Prepaid postage	19,662.05
Total Current Assets	<u>6,926,896.47</u>

Noncurrent Assets

Capital Assets (net)	3,782,199.07
Total noncurrent assets	<u>3,782,199.07</u>

TOTAL ASSETS

10,709,095.54

LIABILITIES

Current Liabilities

Accounts payable	462,888.27
Accrued payroll and deductions	116,247.04
Current portion of long term debt	107,151.39
OPEB Payable	396,416.32
Total Current Liabilities	<u>1,082,703.02</u>

Noncurrent Liabilities

Compensated absences	157,202.20
Note payable, less current portion	1,962,617.00
Total Noncurrent Liabilities	<u>2,119,819.20</u>

TOTAL LIABILITIES

3,202,522.22

NET ASSETS

Investment in capital assets	1,712,430.68
Unrestricted	<u>5,794,142.64</u>
TOTAL NET ASSETS	<u><u>\$ 7,506,573.32</u></u>

The accompanying notes are an integral part of this financial statement.

LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008

OPERATING REVENUES:

Licensing, permits, and fees -	
Licenses	\$ 4,474,985.00
Examinations	265,500.00
Enforcement actions	186,237.50
Other operating revenues	<u>274,583.78</u>
Total Operating Revenues	<u>5,201,306.28</u>

OPERATING EXPENSES:

Licensing Program

Personal services -	
Commissioners per diem	5,025.00
Salaries	1,781,069.84
Employee benefits	964,601.14
Travel	72,442.25
Operating services	713,345.59
Supplies	315,560.80
Professional services	389,955.75
Depreciation expense	<u>133,478.78</u>
Total Operating Expense	<u>4,375,479.15</u>

Operating Income (Loss)	<u>825,827.13</u>
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NON-OPERATING INCOME(EXPENSE)

Interest earnings	259,228.43
Interest expense	<u>(124,312.88)</u>
Total non-operating income	<u>134,915.55</u>

Increase (decrease) in Net Assets	960,742.68
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Net Assets as of June 30, 2007	<u>6,545,830.64</u>
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Net Assets as of June 30, 2008	<u><u>\$ 7,506,573.32</u></u>
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The accompanying notes are an integral part of this financial statement.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
PROPRIETARY FUND - ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008**

Cash flows from operating activities

Cash received from customers	\$ 5,199,336.05
Cash payments to suppliers for goods and services	(1,091,382.02)
Cash payments to employees for services	<u>(2,309,201.52)</u>
Net cash provided (used) by operating activities	<u>1,798,752.51</u>

Cash flows from capital and related financing

Principal paid on notes payable	(101,077.24)
Interest paid on notes payable	(124,312.88)
Acquisition of capital assets	<u>(1,634,026.82)</u>
Net cash provided (used) by financing activities	<u>(1,859,416.94)</u>

Cash flows from investing activities

Purchases of Investments	(6,422,653.73)
Proceeds from sale of investments	3,773,114.80
Interest earned on certificates of deposit and investments	<u>259,228.43</u>
Net cash provided (used) by investing activities	<u>(2,390,310.50)</u>

Net increase (decrease) in cash and cash equivalents (2,450,974.93)

Cash and cash equivalents at beginning of year 5,379,834.88

Cash and cash equivalents at the end of the year \$ 2,928,859.95

Reconciliation of operating income (loss) to net cash provided (used) by operating

Operating income (loss)	\$ 825,827.13
Adjustments to reconcile operating income (loss) to net cash	
Depreciation	133,478.78
Changes in assets and liabilities:	
(Increase) decrease in receivables	(1,970.23)
(Increase) decrease in prepaid expenses	12,520.71
Increase (decrease) in payables	387,401.66
Increase (decrease) in accrued payroll and related benefits	33,038.35
Increase (decrease) in compensated absences payable	12,039.79
Increase (decrease) in OPEB payable	<u>396,416.32</u>
Net cash provided (used) by operating activities	<u><u>\$ 1,798,752.51</u></u>

The accompanying notes are an integral part of this financial statement.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.A. INTRODUCTION

The Louisiana State Board of Nursing (the Board) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:911. The Board is under the control of the Department of Health and Hospitals and a component unit of the State of Louisiana and is an integral part of such reporting entity. The Board, which is composed of eleven (11) members appointed by the Governor of Louisiana for a term of four years. The Board consists of nine registered nurses selected from a list submitted by the Louisiana State Nurses Association and two physicians from a list submitted by the Louisiana State Medical Society, who serve as ex officio members of the Board as advisors and have no voting privileges. The nine nurses are composed of the following:

1. Two nursing service administrators
2. Three nursing educators
3. Three engaged in other areas of nurse practice
4. One advanced practice registered nurse

The Board elects from its members a president, vice president, and such other officers as it considers necessary to carry out the duties and functions of the board.

As authorized by Louisiana Revised Statute 37:914 E., each member of the Board shall be receive \$75.00 a day and reimbursement for actual expenses and mileage at the same rate set by the Division of Administration for state employees under the provisions of R.S. 39:231 for each day in actual attendance at board meetings or for representing the board in an official board-approved activity.

The Board is charged with the responsibility of licensing and regulating registered nurses in the State of Louisiana. Act 633 of the 1995 Legislative Session amended the Nurse Practice Act to require licensure of Advanced Practice Registered Nurses (APRNs). At June 30, 2008 approximately 49,655 registered nurses and 3,199 APRNs were licensed.

The Board's office is located in Baton Rouge, Louisiana, and employs 37 administrative personnel. The Board's operations are funded entirely through annual self-generated revenues.

1.B. FINANCIAL REPORTING ENTITY

GASB Statement No. 14, "The Financial Reporting Entity," has defined the governmental reporting entity to be the State of Louisiana. The Louisiana State Board of Nursing is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members, and public service is rendered within the state's boundaries. The accompanying basic financial statements present information only as to the transactions of the Louisiana State Board of Nursing, a component unit of the State of Louisiana.

Annually the State of Louisiana issues a basic financial statement which includes the activity contained in the accompanying financial statement. The basic financial statement is issued by the Louisiana Division of Administration-Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

1.C. BASIS OF PRESENTATION

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

1.D. ASSETS, LIABILITIES AND NET ASSETS

Cash and Cash Equivalents, Investments

For the purpose of the Statement of Net Assets, and Statement of Cash Flows, cash and cash equivalents include all demand, savings accounts, and certificates of deposits of the Board with an original maturity of 90 days or less.

Investments are carried at fair value. Fair value is based on quoted market price.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Material receivables include accruals for licenses and interest which are accrued when earned.

Prepays

Prepays reflect payments to vendors that benefit future reporting periods and are also reported on the consumption basis.

Capital Assets and Depreciation

Proprietary fund fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost or donated value of \$5,000 or more are recorded at historical cost, or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Revenues, Expenses, and Changes in Fund Net Assets, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

—	Equipment	5-7 years
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LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Compensated Absences

Employees of the Board earn and accumulate vacation and sick leave at varying rates, depending upon their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused vacation leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

The liability for these compensated absences is recorded as long-term debt in the proprietary fund statements. The current portion of this debt can not be estimated and accordingly, it is reported as a noncurrent liability.

Equity Classifications

Equity is classified as net assets and may be displayed in three components:

- a. Investment in Capital Assets, net of related debt— Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted Net Assets – All other net assets that do not meet the definition of “restricted” or “investment in capital assets.”

1.E. REVENUES AND EXPENSES

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

NOTE 2. - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a state agency, the Board is subject to various state laws and regulations. An analysis of the Board's compliance with significant laws and regulations and demonstration of its stewardship over Board resources follows.

2.A. FUND ACCOUNTING REQUIREMENTS

The Board complies with all state laws and regulations requiring the use of separate funds. The Board has no legally required funds.

2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

In accordance with state law, all uninsured deposits of the Board in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Louisiana or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

collateral to the Board must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3.A., all deposits were fully insured or collateralized.

Investments are limited by R.S. 49:327 and the Board's investment policy.

NOTE 3. - DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3.A. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana State Board of Nursing may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Louisiana State Board of Nursing may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts or federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows, all highly liquid investments (including restricted assets with a maturity of three months or less when purchased) are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding custodial bank in the form of safekeeping receipts.

The deposits at June 30, 2008, consisted of the following:

	Cash	Certificates of Deposit	Total
Deposits in Bank Accounts Per Balance Sheet	\$ 2,928,759.95	-	\$ 2,928,759.95
Bank Balances of Deposits Exposed to Custodial Credit Risk			
a. Uninsured and uncollateralized	-	-	-
b. Uninsured and collateralized with securities held by the pledging institute	-	-	-
c. Uninsured and collateralized with securities held by the pledging institutions' trust department or agent but not in the entity's name	2,902,509.21	-	2,902,509.21
Total Bank Balances - All Deposits	\$ 3,002,509.21	-	\$ 3,002,509.21

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

Reconciliation to Statement of Net Assets:

Petty cash	\$ 100.00
Unrestricted cash	<u>2,928,759.95</u>
Total Cash	<u><u>\$2,928,859.95</u></u>

3.B. INVESTMENTS

At year end the Board had the following investments and maturities:

	<u>Fair Value</u>	<u>Maturity</u>
Federal Home Loan Bank	<u>\$ 3,975,833.72</u>	Less than one Year

The board limits its interest rate risk by limiting its investing to securities with terms of one year or less. Credit risk is managed by limiting investments to those allowed under State law, which includes instruments issued by State or Federal governments.

3.C. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2008, was as follows:

	<u>Balance at June 30, 2007</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at June 30, 2008</u>
Capital Assets, not being depreciated				
Land	\$ 1,150,000.00	-	-	\$ 1,150,000.00
Building	1,085,000.00	-	\$ (1,085,000.00)	-
Total Capital Assets, not being depreciated	<u>2,235,000.00</u>	<u>-</u>	<u>(1,085,000.00)</u>	<u>1,150,000.00</u>
Capital Assets, being depreciated				
Equipment	399,125.25	261,481.50	(302,450.00)	358,156.75
Building	-	2,400,012.00	-	2,400,012.00
Furniture and Fixtures	-	57,533.32	-	57,533.32
Total Capital Assets, being depreciated	<u>399,125.25</u>	<u>2,719,026.82</u>	<u>(302,450.00)</u>	<u>2,815,702.07</u>
Accumulated Depreciation				
Equipment	(352,474.22)	(67,600.82)	302,450.00	(117,625.04)
Building	-	(60,124.63)	-	(60,124.63)
Furniture and Fixtures	-	(5,753.33)	-	(5,753.33)
Total Accumulated Depreciation	<u>(352,474.22)</u>	<u>(133,478.78)</u>	<u>302,450.00</u>	<u>(183,503.00)</u>
Total Capital Assets, net	<u>\$ 2,281,651.03</u>	<u>\$ 2,585,548.04</u>	<u>\$ 1,085,000.00</u>	<u>\$ 3,782,199.07</u>

3.D. ACCOUNTS PAYABLE

LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Payables in the general fund is composed of payables to vendors (80%) and accrued salaries and benefits (20%).

3.E. LONG-TERM DEBT

Governmental Activities

As of June 30, 2008, the governmental long-term debt of the Board consists of the following:

Accrued Compensated Absences	\$ 157,202.20
Note payable	2,069,768.39
Total Governmental activity debt	<u>\$ 2,226,970.59</u>

The note payable to Capital One dated October 27, 2006, is in the amount of \$2,235,000.00 to be repaid in monthly installments of \$18,782.51 over 180 months at 5.85% interest. The building and land are pledged as collateral for the loan.

Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2007:

Type of Debt	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008	Current Portion
Governmental Activities:					
Accrued Compensated Absences	\$ 145,162.41	\$ 25,894.05	\$ 13,854.25	\$ 157,202.21	-
Note Payable	2,170,845.63	-	101,077.24	2,069,768.39	\$ 107,151.39
Total General Long-Term Debt	<u>\$ 2,316,008.04</u>	<u>\$ 25,894.05</u>	<u>\$ 114,931.49</u>	<u>\$ 2,226,970.60</u>	<u>\$ 107,151.39</u>

Future Requirements to Amortize the Note Payable are as follows:

Fiscal Year Ending	Principal	Interest
2009	\$ 107,151.39	\$ 118,238.70
2010	113,590.61	111,799.51
2011	120,416.74	104,973.38
2012	127,653.10	97,737.02
2013	135,324.34	90,065.78
2014-2018	808,830.27	318,120.33
2019-2023	656,801.94	65,053.70
Total	<u>\$ 2,069,768.39</u>	<u>\$ 905,988.42</u>

LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 4. - OTHER NOTES

4.A. EMPLOYEE PENSION AND OTHER BENEFIT PLANS

Pension Plan

Substantially all of the employees of the Board are members of the Louisiana State Employees Retirement System ("System"), a cost sharing, multiple-employer, defined benefit public employee retirement system (PERS) controlled and administered by a separate board of trustees.

All full time employees are eligible to participate in the System. Benefits vest with ten years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 month average salary multiplied by their years of credited service.

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with thirty years of service, (b) age 55 with twenty-five years of service, and (c) at age sixty with ten years of service. In addition, vested employees have the option of reduced benefits at any age with twenty years of service. The System also provides death and disability benefits. Benefits are established by state statute. The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System; P. O. Box 44213; Baton Rouge, LA 70804 or by calling (800)256-3000.

Members are required by state statute to contribute at 7.5% of gross salary. The Board is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for fiscal year ended June 30, 2008 remained 20.4% of annual covered payroll from the 19.1% and 19.1% required in fiscal years ended June 30, 2007 and 2006 respectively. The board contributions to the System for the year ending June 30, 2008, 2007 and 2006 are \$342,283.52, \$270,427.93, and \$253,485.16 respectively, equal to the required contributions for that year.

Post Employment Health Care and Life Insurance Benefits

Substantially all Board employees become eligible for post employment health care, dental, and life insurance benefits if they reach normal retirement age while working for the Board. These benefits for retirees and similar benefits for active employees are provided through the insurance company whose premiums are paid jointly by the employee and the Board. The Board recognizes the cost of providing these benefits as an expenditure when paid during the year. For the year ended June 30, 2008, the cost of providing those benefits for seven retirees totaled \$32,053.68.

Deferred Compensation Plan

Certain employees of the Board participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

4.B. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires the Board's management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

4.C. RISK MANAGEMENT

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; employee health and life; and natural disasters. The Board manages these various risks of loss as follows:

<u>Type of Loss</u>	<u>Method Managed</u>	<u>Risk Retained</u>
Torts, errors and omissions	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Injuries to employees (Workers' compensation)	Participates in Louisiana Office of Risk Management public entity risk pool	None
Physical property loss and natural disasters	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Health and life	Participates in Louisiana Office of Group Benefits Plan	None

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Board. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Public Entity Risk Pool

The Board participates in the Louisiana State Office of Risk Management (public entity risk pool), which is responsible for negotiating, compromising and settling all claims including all tort claims against the Board.

4.D. COMMITMENTS AND CONTINGENCIES

Contingencies

Litigation

The State of Louisiana, Division of Administration, Office of Risk Management has not reported any cases pending.

**LOUISIANA STATE BOARD OF NURSING
DEPARTMENT OF HEALTH AND HOSPITALS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

4.E. COMPENSATION PAID TO BOARD MEMBERS

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As authorized by Louisiana Revised Statute 32:772, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the board, and such reimbursement shall not exceed \$75.00 per day.

<u>Commissioner</u>	<u>June 30, 2008</u>	
	<u>Meetings</u>	<u>Amount</u>
James Harper	15	\$ 1,125.00
Gerald Bryant	3	225.00
Carlene MacMillan	7	525.00
Deborah Olds	14	1,050.00
Patricia Johnson	1	75.00
William St. John LaCort, MD	3	225.00
Michelle Oswalt	10	750.00
*Gail Poirrier	14	1,050.00
Total	67	\$ 5,025.00

*\$1,050.00 was paid to the University of Louisiana at Lafayette for Gail Poirrier.

4.F POST EMPLOYMENT HEALTH CARE PLAN

The Board's defined benefit post employment healthcare plan, State of Louisiana, Office of Group Benefits, provides medical benefits to eligible retired employees and their beneficiaries. The Office of Group Benefits is a multiple employer health care plan administered by the State of Louisiana and has the authority to establish and amend the benefit provisions of the plan. The Office of Group Benefits issues a publicly available financial report which is available from the Office of the Legislative Auditor of the State of Louisiana.

The Board is required to report the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

For fiscal year 2008, the Board's annual OPEB cost (expense) of \$396,416.32 was equal to the ARC. The Board has not funded the plan and is being financed on a "pay as you go" basis. The Actuarial Accrued Liability is \$3,308,100.00 which is equal to the Unfunded Actuarial Liability.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percent of Annual OPEB Cost Contribution</u>	<u>Net OPEB Obligation</u>
June 30, 2006	N/A	N/A	N/A
June 30, 2007	N/A	N/A	N/A
June 30, 2008	\$ 396,416.32	0.00	\$ 396,416.32

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board Members of
Louisiana State Board of Nursing
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

We have audited the basic financial statements of the **Louisiana State Board of Nursing**, a component unit of the State of Louisiana, as of and for the year ended June 30, 2008, and have issued our report thereon dated August 14, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

Internal Control Over Financial Reporting

In planning and performing my audit, we considered the **Louisiana State Board of Nursing's** internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the **Louisiana State Board of Nursing's** internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the **Louisiana State Board of Nursing's** internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the **Louisiana State Board of Nursing's** basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the *Louisiana Governmental Audit Guide*.

This report is intended for the information and use of the **Louisiana State Board of Nursing** and its management, the Louisiana Legislative Auditor, the State of Louisiana and is not intended to be, and should not be used by anyone other than these specified parties. Under provisions of state law, this report is a public document, and it has been distributed to appropriate officials.

Leroy J. Chustz
Certified Public Accountant CPA
August 14, 2007

Beverly A. Ryall
Certified Public Accountant

**LOUISIANA STATE BOARD OF NURSING
SCHEDULE OF FINDINGS
YEAR ENDED JUNE 30, 2008**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses a qualified opinion on the basic financial statements of Louisiana State Board of Nursing.
2. No significant deficiencies were disclosed during the audit of the basic financial statements.
3. No instances of noncompliance was disclosed during the audit of the basic financial statements.
4. There were no federal awards received by Louisiana State Board of Nursing.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

None

**LOUISIANA STATE BOARD OF NURSING
RESOLUTION OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2008**

PRIOR YEAR FINDINGS

None

To the Board of Commissioners of
Louisiana State Board of Nursing

We have audited the financial statements of the business-type activities of Louisiana State Board of Nursing for the year ended June 30, 2008, and have issued our report thereon dated August 14, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated May 21, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As a part of our audit, we considered the internal control of Louisiana State Board of Nursing. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As a part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed test of Louisiana State Board of Nursing's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our responsibility for other information in documents containing the entity's financial statements and report does not extend beyond the financial information identified in the report. We do not have an obligation to perform any procedures to corroborate other information contained in these documents, such as management's discussion and analysis and supplementary budgetary statements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in my Entrance Memorandum about planning matter on May 23, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of my engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policy used by Louisiana State Board of Nursing are described in Note 1 to the financial statements, no new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimated are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the depreciation expense and useful life of capital assets is based on policy guidelines. We evaluated the key factors and assumptions used to develop the capital asset policy in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of Other Post Employment Benefit expense and liability are particularly complex and market and time sensitive. The values presented are based on information provided by Office of Statewide Accounting and Reporting Policy. We were unable to perform adequate procedures on the work of the specialist to support an opinion on such data.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Two adjustments were identified in the course of our audit and are reported in the addendum to this letter.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 14, 2008.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the government unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the government unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the members of the board and management of Louisiana State Board of Nursing and is not intended to be and should not be used by anyone other than these specified parties.

Leroy J. Chuatz

Certified Public Accountant, APAC
August 14, 2007

Beverly A. Ryall

Certified Public Accountant

**LOUISIANA STATE NURSING BOARD
ADDENDUM TO LETTER TO GOVERNANCE BODIES
JUNE 30, 2008**

	<u>Debit</u>	<u>Credit</u>
Journal Entries Made as a Result of the Audit:		
Repairs	\$ 5206.25	
Prepaid expenses		\$ 5206.25
To adjust prepaid expenses to correct amounts.		
 Discipline: Attorney expense	 \$ 8529.70	
Accounts payable		\$ 8529.70
To record invoice for June, 2008 services.		

Journal Entries Passed as a Result of the Audit:

\$	\$
----	----

SUPPLEMENTAL INFORMATION REQUIRED BY
STATE OF LOUISIANA
DIVISION OF ADMINISTRATION
OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY

The following pages contain a report on the Board's Annual Financial Report prepared in accordance with the requirements of the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy.

ROY HEBERT
CERTIFIED PUBLIC ACCOUNTANT

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MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Louisiana State Board of Nursing
Baton Rouge, Louisiana

I have compiled the balance sheet of the Louisiana State Board of Nursing as of June 30, 2008, and the related statements of revenues, expenses and changes in fund net assets, activities, and cash flows for the year then ended included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

My compilation was limited to presenting in the form prescribed by the State of Louisiana, Division of Administration, Office of Statewide Reporting and Accounting Policy, information that is the representation of management. I have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements (including related disclosures) are presented in accordance with the requirements of the State of Louisiana, Division of Administration, Office of Statewide Reporting and Accounting Policy, which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.



Roy Hebert, CPA

September 19, 2008

LOUISIANA STATE BOARD OF NURSING
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2008

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

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**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
BALANCE SHEET
AS OF JUNE 30, 2008**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 2,928,860
Investments	3,975,834
Receivables (net of allowance for doubtful accounts)(Note U)	2,541
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	19,662
Notes receivable	
Other current assets	
Total current assets	6,926,896

NONCURRENT ASSETS:

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Investments	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	1,150,000
Buildings and improvements	2,339,887
Machinery and equipment	292,312
Infrastructure	
Construction in progress	
Other noncurrent assets	
Total noncurrent assets	3,782,199
Total assets	\$ 10,709,095

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 462,889
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	
Amounts held in custody for others	
Other current liabilities	116,247
Current portion of long-term liabilities: (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	
Claims and litigation payable	
Notes payable	107,151
Bonds payable	
Other long-term liabilities	
Total current liabilities	686,287

NONCURRENT LIABILITIES: (Note K)

Contracts payable	
Compensated absences payable (Note K)	157,202
Capital lease obligations (Note J)	
Claims and litigation payable (Note K)	
Notes payable	1,962,617
Bonds payable	
OPEB payable	396,416
Other long-term liabilities	
Total noncurrent liabilities	2,516,235
Total liabilities	3,202,523

NET ASSETS

Invested in capital assets, net of related debt	1,712,431
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	5,794,142
Total net assets	7,506,573
Total liabilities and net assets	\$ 10,709,095

The accompanying notes are an integral part of this financial statement.

Statement A

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2008**

OPERATING REVENUES

Licenses, permits, and fees	\$ 4,473,885
Examinations	265,500
Enforcement actions	186,238
Other	275,684
Total operating revenues	5,201,306

OPERATING EXPENSES

Cost of sales and services	
Administrative	4,242,000
Depreciation	133,479
Amortization	
Total operating expenses	4,375,479

Operating income(loss)	825,828
------------------------	---------

NON-OPERATING REVENUES(EXPENSES)

State appropriations	
Intergovernmental revenues(expenses)	
Taxes	
Use of money and property	
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grants	
Interest expense	(124,313)
Interest income	259,228
Other expense	
Total non-operating revenues(expenses)	134,915

Income(loss) before contributions, extraordinary items, and transfers	960,743
---	---------

Capital contributions	
Extraordinary item - Loss on impairment of capital assets	
Transfers in	
Transfers out	

Change in net assets	960,743
----------------------	---------

Total net assets – beginning	6,545,831
------------------------------	-----------

Total net assets – ending	\$ 7,506,573
---------------------------	--------------

The accompanying notes are an integral part of this financial statement.

Statement B

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

See Appendix A for instructions

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Entity	\$ 4,499,791	\$ 5,201,306	\$	\$	\$ 701,515
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					259,228
Miscellaneous					
Special items					
Extraordinary item - Loss on impairment of capital assets					
Transfers					
Total general revenues, special items, and transfers					259,228
Change in net assets					960,743
Net assets - beginning as restated					6,545,831
Net assets - ending					\$ 7,506,574

The accompanying notes are an integral part of this statement.

Statement C

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008**

Cash flows from operating activities		
Cash received from customers	\$ 5,199,336	
Cash payments to suppliers for goods and services	(1,091,382)	
Cash payments to employees for services	(2,309,202)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		1,798,753
Cash flows from non-capital financing activities		
State appropriations		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing		-
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable	(101,077)	
Interest paid on notes payable	(124,313)	
Acquisition/construction of capital assets	(1,634,027)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related activities		(1,859,417)
Cash flows from investing activities		
Purchases of investment securities	(6,422,654)	
Proceeds from sale of investment securities	3,773,115	
Interest and dividends earned on investment securities	259,228	
Net cash provided(used) by investing activities		(2,390,311)
Net increase(decrease) in cash and cash equivalents		(2,450,975)
Cash and cash equivalents at beginning of year		5,379,835
Cash and cash equivalents at end of year	\$	2,928,860

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$	825,827
Adjustments to reconcile operating income(loss) to net cash			
Depreciation/amortization	133,479		
Provision for uncollectible accounts			
Other			
Changes in assets and liabilities:			
(Increase)decrease in accounts receivable, net	(1,970)		
(Increase)decrease in due from other funds			
(Increase)decrease in prepayments	12,521		
(Increase)decrease in inventories			
(Increase)decrease in other assets			
Increase(decrease) in accounts payable and accruals	387,402		
Increase(decrease) in compensated absences payable	12,040		
Increase(decrease) in accrued payroll and related benefits	33,038		
Increase(decrease) in deferred revenues			
Increase(decrease) in OPEB payable	396,416		
Increase(decrease) in other liabilities			
Net cash provided(used) by operating activities		\$	1,798,753

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease	\$	
Contributions of fixed assets		
Purchases of equipment on account		339,978
Asset trade-ins		
Other (specify)		
Total noncash investing, capital, and financing activities:	\$	339,978

The accompanying notes are an integral part of this statement.

Statement D (concluded)

INTRODUCTION

The Louisiana State Board of Nursing was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 39:911.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Louisiana State Board of Nursing present information only as to the transactions of the programs of the Louisiana State Board of Nursing as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana State Board of Nursing are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Louisiana State Board of Nursing are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>4,718,133</u>
Amendments:	<u>350,000</u>
	<u> </u>
	<u> </u>
Final approved budget	\$ <u><u>5,068,133</u></u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix B for information related to Note C.

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana State Board of Nursing may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Louisiana State Board of Nursing may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by the three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2008, consisted of the following:

	Cash	Certificates of Deposit	Other (Describe)	Total
Balance per agency books	\$ 2,928,760	\$ -	\$ -	\$ 2,928,760
Deposits in bank accounts per bank	\$ 3,002,509	\$ -	\$ -	\$ 3,002,509
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	\$	\$	\$	\$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	\$	\$	\$	\$ -
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency but not in the entity's name	\$ 2,902,509	\$ -	\$ -	\$ 2,902,509

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Balance per agency books" due to outstanding items.

The following is a breakdown by banking institution, program, account number, and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. Capital One	Operating account	\$ 2,727,255
2. Capital One Investments, LLC	Money market account	275,254
3.		
4.		
Total		\$ 3,002,509

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$	
Petty cash	\$	100

2. INVESTMENTS

The Louisiana State Board of Nursing does not maintain investment accounts as authorized by the State of Louisiana.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the table on the next page, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by the three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported

amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

<u>Type of Investment</u>	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>*Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount Per Balance Sheet</u>	<u>Fair Value</u>
Negotiable CDs	\$ _____	\$ _____	\$ _____	\$ _____
Repurchase agreements	_____	_____	_____	_____
U.S. Government Obligations **	_____	_____	_____	_____
U.S. Agency Obligations	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Mortgages (including CMOs & MBSs)	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____
Real estate	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

* Unregistered - not registered in the name of the government or entity

** These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government. (See Appendix B for the definition of U.S. Government Obligations)

3. DERIVATIVES

The institution does not invest in derivatives as part of its investment policy. Accordingly, the exposure to risk from these investments is as follows:

credit risk _____
market risk _____
legal risk _____

Technical Bulletin 2003-1 requires certain note disclosures for derivatives that are not reported at fair value on the Statement of Net Assets. See Appendix B for more details and disclose any of these required note disclosures below, if applicable.

4. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

A. Credit Risk of Debt Investments

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end, including the rating agency used (Moody's, S&P, etc.). All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

<u>Rating Agency</u>	<u>Rating</u>	<u>Fair Value</u>
		\$
	Total	\$ -

B. Interest Rate Risk of Debt Investments

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type. (Note – This is the prescribed method, segmented time distribution, for the CAFR. Also, total debt investments reported in this table should equal total debt investments reported in Section A – Credit Risk of Debt Investments.)

<u>Type of Debt Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater Than 10</u>
U.S. Government obligations	\$	\$	\$	\$	\$
U.S. Agency obligations					
Mortgage backed securities	3,975,834	3,975,834			
Collateralized mortgage obligations					
Corporate bonds					
Other bonds					
Mutual bond funds					
Other					
Total debt investments	\$ 3,975,834	\$ 3,975,834	\$ -	\$ -	\$ -

2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms (e.g. coupon multipliers, reset dates, etc.) of the investment. See Appendix B for examples of debt investments that are highly sensitive to changes in interest rates.

<u>Debt Investment</u>	<u>Fair Value</u>	<u>Terms</u>
	\$	
Total	\$ -	

C. Concentration of Credit Risk

List, by amount and issuer, investments in any one issuer that represents 5% or more of total external investments (not including U.S. government securities, mutual funds, and investment pools).

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
	\$	
Total	\$ -	

D. Foreign Currency Risk

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies); list by currency denomination and investment type, if applicable.

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
	\$	\$

5. POLICIES

Briefly describe the deposit and/or investment policies related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk disclosed in this note. If no policy exists concerning the risks disclosed, please state that fact.

6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

- a. Investments in pools managed by other governments or mutual funds _____
- b. Securities underlying reverse repurchase agreements _____
- c. Unrealized investment losses _____
- d. Commitments as of _____ (fiscal close), to resell securities under yield maintenance repurchase agreements:
1. Carrying amount and market value at June 30 of securities to be resold _____
 2. Description of the terms of the agreement _____
- e. Losses during the year due to default by counterparties to deposit or investment transactions _____
- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet _____

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements _____

- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _____

Reverse Repurchase Agreements as of Year-End

- i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest _____
- j. Commitments on _____ (fiscal close) to repurchase securities under yield maintenance agreements _____
- k. Market value on _____ (fiscal close) of the securities to be repurchased _____
- l. Description of the terms of the agreements to repurchase _____
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements _____
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement _____

Fair Value Disclosures

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices _____
- p. Basis for determining which investments, if any, are reported at amortized cost _____
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool _____
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares _____
- s. Any involuntary participation in an external investment pool _____
- t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining fair value and the reasons for having had to make such an estimate _____
- u. Any income from investments associated with one fund that is assigned to another fund _____

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

	Balance 6/30/2007	Period Adjustment	Balance 6/30/2007	Additions	Transfers*	Retirements	Balance 6/30/2008
Capital assets not being depreciated							
Land	\$ 1,150,000	\$	\$ 1,150,000	\$	\$	\$	\$ 1,150,000
Non-depreciable land improvements			-				-
Capitalized collections			-				-
Construction in progress			-				-
Total capital assets not being depreciated	1,150,000	--	1,150,000	-	-	-	1,150,000
Other capital assets							
Machinery and Equipment	583,472	(194,347)	399,125	319,015		(302,450)	415,690
Less accumulated depreciation	(546,821)	194,347	(352,474)	(73,354)		302,450	(123,378)
Total furniture, fixtures, and equipment	46,651	--	46,651	245,661	--	-	292,312
Buildings and improvements	1,085,000		1,085,000	1,315,012			2,400,012
Less accumulated depreciation	(27,125)	27,125	-	(60,125)			(60,125)
Total buildings and improvements	1,057,875	27,125	1,085,000	1,254,887	-	-	2,339,887
Depreciable land improvements			-				-
Less accumulated depreciation			-				-
Total depreciable land improvements	-	--	-	-	-	-	-
Infrastructure			-				-
Less accumulated depreciation			-				-
Total infrastructure	-	--	-	-	-	-	-
Total other capital assets	1,104,526	27,125	1,131,651	1,500,548	-	-	2,632,199
Capital Asset Summary:							
Capital assets not being depreciated	1,150,000	--	1,150,000	-	-	-	1,150,000
Other capital assets, at cost	1,678,472	(194,347)	1,484,125	1,634,027	-	(302,450)	2,815,702
Total cost of capital assets	2,828,472	(194,347)	2,634,125	1,634,027	-	(302,450)	3,965,702
Less accumulated depreciation	(573,946)	221,472	(352,474)	(133,479)	-	302,450	(183,503)
Capital assets, net	\$ 2,254,526	\$ 27,125	\$ 2,281,651	\$ 1,500,548	\$ -	\$ -	\$ 3,782,199

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

E. INVENTORIES N/A

The BTA's inventories are valued using _____ (method of valuation – FIFO, LIFO, weighted average, moving average, specific identification, etc). These are perpetual inventories and are expensed when used.

F. RESTRICTED ASSETS N/A

Restricted assets in the _____ (BTA) at _____ (fiscal year end), reflected at \$ _____ in the non-current assets section on Statement A, consisting of \$ _____ in cash with fiscal agent, \$ _____ in receivables, and \$ _____ investment in _____ (identify the type of investments held.) State the purpose of the restrictions: _____

G. LEAVE

1. COMPENSATED ABSENCES

The Louisiana State Board of Nursing has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2008, computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$0. The leave payable is not recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Louisiana State Board of Nursing are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time (BTA) employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They

cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2007 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_07.pdf

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2008, increased to 20.1% of annual covered payroll from the 19.1% and 19.1% required in fiscal years ended June 30, 2007 and 2006 respectively. The (BTA) contributions to the System for the years ending June 30, 2008, 2007, and 2006, were \$342,284, \$270,428, and \$253,485, respectively, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS N/A

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2008 amounted to \$147,985. A schedule of payments for operating leases follows:

<u>Nature of lease</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014- 2018</u>	<u>FY 2019- 2023</u>
Office Space	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Equipment	_____	_____	_____	_____	_____	_____	_____
Land	_____	_____	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

2. CAPITAL LEASES

Capital leases are/are not recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

Schedule A should be used to report all capital leases including new leases in effect as of 6/30/08. In Schedule B, report only those new leases entered into during fiscal year 2007-2008.

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2028, create additional rows and report these future minimum lease payments in five year increments.)**

<u>Year ending June 30 :</u>	<u>Total</u>
2009	\$ _____
2010	_____
2011	_____
2012	_____
2013	_____
2014-2018	_____
2019-2023	_____
2024-2028	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2028, create additional rows and report these future minimum lease payments in five year increments.)**

Year ending June 30:	Total
2009	\$ _____
2010	_____
2011	_____
2012	_____
2013	_____
2014-2018	_____
2019-2023	_____
2024-2028	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

SCHEDULE C – LEAF CAPITAL LEASES

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2028, create additional rows and report these future minimum lease payments in five year increments.)**

Year ending June 30:	Total
2009	\$ _____
2010	_____
2011	_____
2012	_____
2013	_____
2014-2018	_____
2019-2023	_____
2024-2028	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

3. LESSOR DIRECT FINANCING LEASES

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectibility of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

Provide a general description of the direct financing agreement and complete the chart below:

Composition of lease	Date of lease	Minimum lease payment receivable	Remaining interest to end of lease	Remaining principal to end of lease
a. Office space		\$	\$	\$
b. Equipment				
c. Land				
Less amounts representing executory costs				
Minimum lease payment receivable				
Less allowance for doubtful accounts				
Net minimum lease payments receivable				
Less estimated residual value of leased property				
Less unearned income				
Net investment in direct financing lease		\$		

Minimum lease payment receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2008 were \$_____ for office space, \$_____ for equipment, and \$_____ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of _____ (the last day of your fiscal year): (Note: If lease receivables extend past FY2028, please create additional rows and report these future minimum lease payment receivables in five year increments.)

Year ending _____:	
2009	\$
2010	
2011	
2012	
2013	
2014-2018	
2019-2023	
2024-2028	
Total	\$

4. LESSOR – OPERATING LEASE

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectibility and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of _____ 20__:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____

The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of _____ (the last day of your fiscal year): (Note: If lease receivables extend past FY2028, please create additional columns and report these future minimum lease payment receivables in five year increments.)

<u>Year Ended</u> <u>June 30,</u>	<u>Office Space</u>	<u>Equipment</u>	<u>Land</u>	<u>Other</u>	<u>Total</u>
2009	\$ _____	\$ _____	\$ _____	\$ _____	\$ -
2010					-
2011					-
2012					-
2013					-
2014-2018					-
2019-2023					-
2024-2028					-
Total	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

Current year lease revenues received in fiscal year _____ totaled \$ _____. Contingent rentals received from operating leases received for your fiscal year was \$ _____ for office space, \$ _____ for equipment, and \$ _____ for land.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2008: (Balances at June 30th should include current and non-current portion of long-term liabilities. Send OSRAP a copy of the amortization schedule for any new debt issued.)

	<u>Year ended June 30, 2008</u>				
	Balance June 30, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2008</u>	Amounts due within <u>one year</u>
Notes and bonds payable:					
Notes payable	\$ 2,170,846	\$	\$ 101,077	\$ 2,069,769	\$ 107,151
Bonds payable				--	
Total notes and bonds	<u>2,170,846</u>	<u>--</u>	<u>101,077</u>	<u>2,069,769</u>	<u>107,151</u>
Other liabilities:					
Contracts payable				--	
Compensated absences payable	145,162	25,894	13,854	157,202	
Capital lease obligations				--	
Claims and litigation				--	
OPEB payable				--	
Other long-term liabilities				--	
Total other liabilities	<u>145,162</u>	<u>25,894</u>	<u>13,854</u>	<u>157,202</u>	<u>--</u>
Total long-term liabilities	<u>\$ 2,316,008</u>	<u>\$ 25,894</u>	<u>\$ 114,931</u>	<u>\$ 2,226,971</u>	<u>\$ 107,151</u>

L. CONTINGENT LIABILITIES

GAAP requires that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred along with the dollar amount if it can reasonably be estimated. Do not report impaired capital assets as defined by GASB 42 below, rather disclose GASB 42 impaired capital assets in Note CC. Losses or ending litigation that is probable should be reflected on the balance sheet.

The Louisiana State Board of Nursing is a defendant in litigation seeking damages as follows: (Only list litigation not being handled by the Office of Risk Management or the Attorney General.)

<u>Date of Action</u>	<u>Description of Litigation and Probable outcome (Reasonably possible or probable)</u>	<u>Estimated Settlement Amt for Claims & Litigation (Opinion of legal counsel)</u>	<u>Insurance Coverage</u>
		\$	\$
Totals		\$ -	\$ -

*Note: Liability for claims and judgments should include specific, incremental claim expenses if known or if it can be estimated. For example, the cost of outside legal assistance on a particular claim may be an incremental cost, whereas assistance from internal legal staff on a claim may not be incremental because the salary costs for internal staff normally will be incurred regardless of the claim. (See GASB 30, paragraph 9)

Those agencies collecting federal funds, who have been informed that certain of their previously claimed costs were disallowed, should disclose the requested information in the schedule shown below. Show each possible disallowance on a separate line in the chart.

<u>Program</u>	<u>Date of Disallowance</u>	<u>Amount</u>	<u>Probability of Payment*</u>	<u>Estimated Settlement Amount</u>
1. _____	_____	\$ _____	_____	\$ _____
2. _____	_____	_____	_____	_____

3. _____
4. _____

(Only answer the following questions for those claims and litigation not being handled by the Office of Risk Management.)

Indicate the way in which risks of loss are handled (circle one).

purchase of commercial insurance,

participation in a public entity risk pool (e.g., Office of Risk Management claims)

risk retention (e.g., Use of an internal service fund is considered risk retention because the entity as a whole has retained the risk of loss.)

Other (explain) _____

For entities participating in a risk pool (other than the Office of Risk Management), describe the nature of the participation, including the rights and the responsibilities of both the entity and the pool. _____

Describe any significant reductions in insurance coverage from coverage in the prior year by major categories of risk. Also, indicate whether the amount of settlements exceeded insurance coverage for each of the past three fiscal years. _____

Disclose any cases where it is probable that a liability has been incurred, but the effect of the liability has not been reflected in the financial statements because it can not be estimated. _____

Disclose any guarantee of indebtedness even if there is only a remote chance that the government will be called on to honor its guarantee. _____

M. RELATED PARTY TRANSACTIONS N/A

FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from which result from related party transactions. List all related party transactions. _____

N. ACCOUNTING CHANGES N/A

Accounting changes made during the year involved a change in accounting _____ (principle, estimate or entity). The effect of the change is being shown in _____.

O. IN-KIND CONTRIBUTIONS N/A

List all in-kind contributions that are not included in the accompanying financial statements.

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
Total	\$ _____

P. DEFEASED ISSUES N/A

In _____, 20____, the _____ (BTA), issued \$_____ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of _____ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$_____, plus an additional \$_____ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated _____, _____ between the (BTA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$_____ and gave the (BTA) an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$_____.

Q. REVENUES – PLEDGED OR SOLD (GASB 48) N/A

1. PLEDGED REVENUES

Pledged revenues are specific revenues that have been formally committed to directly collateralize or secure debt of the pledging government, or directly or indirectly collateralize or secure debt of a component unit. Pledged revenues must be disclosed for each period in which the secured debt remains outstanding and for each secured debt issued.

Provide the following information about the specific revenue pledged:

a. Identify the specific pledged revenue:

- Pledged revenue is _____
- Debt secured by the pledge revenue (amount) _____
- Approximate amount of pledge _____
(equal to the remaining principal and interest requirements)

b. Term of the commitment:

[number of years (beginning and ending dates by month and year) that the revenue will not be available for other purposes]

c. General purpose for the debt secured by the pledge: _____

d. Relationship of the pledged amount to the specific revenue: _____

(the proportion of the specific revenue that has been pledged)

e. Comparison of the pledged revenues (current year information):

- Principal requirements _____
- Interest requirements _____
- Pledged revenues recognized during the period _____
(gross pledged revenue minus specified operating expenses)

NOTE: For the first year of this note, please send a copy of the following sections of the official bond statement

- Cover page
- Introductory statement
- Plan of financing
- Security for the bond (pledged revenue information)

2. FUTURE REVENUES REPORTED AS A SALE

Future revenues reported as a sale are proceeds that an agency/entity received in exchange for the rights to future cash flows from specific future revenues and for which the agency/entity's continuing involvement with those revenues or receivables is effectively terminated. (see Appendix F)

Provide the following information in the year of the sale ONLY:

- Identify the specific revenue sold:
 - the revenue sold is _____
 - the approximate amount _____
 - significant assumptions used in determining the approximate amount _____
- Period of the sale: _____
- Relationship of the sold amount to the total for that specific revenue: _____
- Comparison of the sale:
 - proceeds of the sale _____
 - present value of the future revenues sold _____
 - significant assumptions in determining the present value _____

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) N/A

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2007-2008:

CFDA Number	Program Name	State Match Percentage	Total Amount of Grant
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total government-mandated nonexchange transactions (grants)			\$ _____

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS N/A

At June 30, 20____, the _____ (BTA) was not in compliance with the provisions of _____ Bond Reserve Covenant that requires _____ The _____ (BTA) did _____ to correct this deficiency.

T. SHORT-TERM DEBT N/A

The _____ (BTA) issues short-term notes for the following purpose(s): _____

Short-term debt activity for the year ended June 30, 20__, was as follows:

List the type of Short-term debt (e.g., tax anticipation notes)	Beginning Balance	Issued	Redeemed	Ending Balance
	\$	\$	\$	\$ -

The _____ (BTA) uses the following revolving line of credit to finance _____
_____. (list purpose for the S-T debt).

Short-term debt activity for the year ended June 30, 20__, was as follows:

	Beginning Balance	Draws	Redeemed	Ending Balance
Line of credit	\$	\$	\$	\$ -

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2008, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
	\$	\$	\$	\$	\$
Gross receivables	\$ 270	\$ -	\$ -	\$ 2,271	\$ 2,541
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ 270	\$ -	\$ -	\$ 2,271	\$ 2,541
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2008, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General Fund	\$ 462,888	\$ 116,247	\$	\$	\$ 579,135
Total payables	\$ 462,888	\$ 116,247	\$ -	\$ -	\$ 579,135

W. SUBSEQUENT EVENTS N/A

Disclose any material event(s) affecting the (BTA) occurring between the close of the fiscal period and issuance of the financial statement.

X. SEGMENT INFORMATION N/A

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by the segment _____

A. Condensed balance sheet:

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTAs should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTAs should be reported separately.
- (3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance sheet:

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ _____	\$ _____
Due from other funds	_____	_____
Capital assets	_____	_____
Other assets	_____	_____
Current liabilities	_____	_____
Due to other funds	_____	_____
Long-term liabilities	_____	_____
Restricted net assets	_____	_____
Unrestricted net assets	_____	_____
Invested in capital assets, net of related debt	_____	_____

B. Condensed statement of revenues, expenses, and changes in net assets:

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (loss)	_____ -	_____ -
Nonoperating revenues (expenses)	_____	_____
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	_____ -	_____ -
Beginning net assets	_____	_____
Ending net assets	_____ -	_____ -

C. Condensed statement of cash flows:

- (1) Net cash provided (used) by:
 - (a) Operating activities
 - (b) Noncapital financing activities
 - (c) Capital and related financing activities
 - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances	_____ -	_____ -

Y. DUE TO/DUE FROM AND TRANSFERS N/A

1. List by fund type the amounts **due from other funds** detailed by individual fund at fiscal year end:
(Types of funds include general fund, statutory dedicated funds, discrete component unit funds, etc).

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due from other funds		\$ _____

2. List by fund type the amounts **due to other funds** detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____

Total due to other funds

\$

3. List by fund type all transfers from other funds for the fiscal year:

Type of Fund	Name of Fund	Amount
		\$
Total transfers from other funds		\$

4. List by fund type all transfers to other funds for the fiscal year:

Type of Fund	Name of Fund	Amount
		\$
Total transfers to other funds		\$

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS N/A

Liabilities payable from restricted assets in the _____ (BTA) at _____ (fiscal year end), reflected at \$ _____ in the liabilities section on Statement A, consist of \$ _____ in accounts payable, \$ _____ in notes payable, and \$ _____ in _____.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS N/A

The following adjustments were made to restate beginning net assets for June 30, 20__.

Ending net assets 6/30/07 as reported to OSRAP on PY AFR	Adjustments to end net assets 6/30/07 (after AFR was submitted to OSRAP) + or (-)	Restatements (Adjustments to beg. Balance 7/1/07) + or (-)	Beg net assets @ 7/1/07 as restated
\$	\$	\$	\$
		--	--
		--	--
		--	--
		--	--
		--	--

Each adjustment must be explained in detail on a separate sheet
Include all audit adjustments accepted by the agency or entity.

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46) N/A

Of the total net assets reported on Statement A at June 30, 20__, \$ _____ are restricted by enabling legislation. Enabling legislation authorizes a government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation. Refer to Appendix C for more details on the determination of the amount to be reported as required by GASB Statement 46. List below the net assets restricted by enabling legislation, the purpose of the restriction, and the Louisiana Revised Statute (LRS) that authorized the revenue:

<u>Purpose of Restriction</u>	<u>LA Revised Statute Authorizing Revenue</u>	<u>Amount</u>
		\$
Total		\$

CC. IMPAIRMENT OF CAPITAL ASSETS N/A

GASB 42 establishes accounting and financial reporting standards for the impairment of capital assets **and for insurance recoveries**. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. **See Appendix D for more information on GASB 42 and the Impairment of Capital Assets.**

The following capital assets became **permanently** impaired in FY 07-08: (Insurance recoveries related to impairment losses should be used to offset those impairment losses if received in the same year as the impairment. Include these insurance recoveries in the third column in the table below. Calculate the net impairment loss after insurance recoveries received in the current fiscal year in the fourth column. Include in the Financial Statement Classification column the account line in which the net impairment loss is reported in the financial statements. There are five indicators of impairment described in Appendix D, (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second to last column below.)

<u>Type of asset</u>	<u>Amount of Impairment Loss</u>	<u>Insurance Recovery in the same FY</u>	<u>Net Impairment Loss per Financial Stmt</u>	<u>Financial Statement Classification</u>	<u>Appendix D Indicator of Impairment</u>	<u>Reason for Impairment (e.g. hurricane)</u>
Buildings						
Movable Property						
Infrastructure						

Insurance recoveries received in FY 07- 08 related to impairment losses occurring in previous years, and insurance recoveries received in FY 07 – 08 other than those related to impairment of capital assets, should be reported as program revenues, nonoperating revenues, or extraordinary items, as appropriate. Indicate in the following table the amount and financial statement classification (account line in which the insurance recovery is reported in the financial statements) of insurance recoveries not included in the table above:

<u>Type of asset</u>	<u>Amount of Insurance Recovery</u>	<u>Financial Statement Classification</u>	<u>Reason for insurance recovery (e.g. fire)</u>
Buildings			
Movable Property			
Infrastructure			

The carrying amount of impaired capital assets that are idle at year-end should be disclosed, regardless of whether the impairment is considered permanent or temporary. The following capital assets were idle at the end of the fiscal year: (Include **any permanently** impaired capital assets listed above that are still idle at the

end of the fiscal year, any temporarily impaired capital assets, and any assets impaired in prior years that are still idle at the end of the current fiscal year.)

<u>Type of asset</u>	<u>Carrying Value of Idle Impaired Assets</u>	<u>Reason for Impairment</u>
Buildings - permanently impaired		
Buildings - temporarily impaired		
Movable Property - permanently impaired		
Movable Property - temporarily impaired		
Infrastructure - permanently impaired		
Infrastructure - temporarily impaired		

DD. EMPLOYEE TERMINATION BENEFITS

Termination benefits are benefits, other than salaries and wages, that are provided by employers as settlement for involuntary terminations initiated by management, or as an incentive for voluntary terminations initiated by employees. Voluntary termination benefits include benefits such as enhanced early retirement options resulting from an approved early retirement plan.

Other termination benefits may include:

1. Early retirement incentives, such as cash payments, enhancement to defined benefit formula
2. Healthcare coverage when none would otherwise be provided (COBRA)
3. Compensated absences, including payments for leave balances
4. Payments due to early release from employment contracts

GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits:

1. A description of the termination benefit arrangement(s)
2. Period the employer becomes obligated
3. Number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided
6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit
8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported)

Substantially all employees are eligible for termination benefits upon separation from the state. The agency recognizes the cost of providing these benefits as expenditures when paid during the year. For 2008, the cost of providing those benefits for 1 voluntary termination totaled \$127. For 2008, the cost of providing those benefits for 1 involuntary terminations totaled \$129.

[The termination benefits (voluntary and involuntary) paid in FY 2008 should also be included in the Statement of Revenues, Expenses, and Changes in Fund Net Assets on the account line "Administrative" in the Operating Expense Section.]

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the Year Ended JUNE 30, 2008**

<u>Name</u>	<u>Amount</u>
Gerald Bryant	\$ 225
James Harper	1,125
Patricia Johnson	75
Carlene MacMillian	525
Debbie Olds	1,050
Michelle Oswalt	750
Gail Poirier	1,050
William St. John LaCorte	225
	\$ 5,025

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
SCHEDULE OF NOTES PAYABLE
JUNE 30, 2008**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
N/A	10/18/06	\$2,235,000	\$2,170,846	\$	\$2,069,769	5.85	\$0
Total		<u>\$2,235,000</u>	<u>\$2,170,846</u>	<u>\$</u>	<u>\$2,069,769</u>		<u>\$ 0</u>

*Send copies of new amortization schedules

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
SCHEDULE OF BONDS PAYABLE
JUNE 30, 2008**

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
		\$	\$	\$	\$		\$
Total		\$	\$	\$	\$		\$

*Send copies of new amortization schedules

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2008**

Fiscal Year Ending:	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2009	\$ _____	\$ _____	\$ _____	\$ _____
2010	_____	_____	_____	_____
2011	_____	_____	_____	_____
2012	_____	_____	_____	_____
2013	_____	_____	_____	_____
2014-2018	_____	_____	_____	_____
2019-2023	_____	_____	_____	_____
2024-2028	_____	_____	_____	_____
2029-2033	_____	_____	_____	_____
Total	\$ --	\$ --	\$ --	\$ --

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended June 30, 2008**

Fiscal Year Ending:	Principal	Interest
2009	\$ <u>107,151</u>	\$ <u>118,239</u>
2010	<u>113,591</u>	<u>111,800</u>
2011	<u>120,417</u>	<u>104,973</u>
2012	<u>127,653</u>	<u>97,737</u>
2013	<u>135,324</u>	<u>90,066</u>
2014-2018	<u>808,831</u>	<u>318,121</u>
2019-2023	<u>656,802</u>	<u>65,054</u>
2024-2028		
2029-2033		
Total	\$ <u><u>2,069,769</u></u>	\$ <u><u>905,989</u></u>

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2008**

Fiscal Year		
<u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2009	\$ _____	\$ _____
2010	_____	_____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
2033	_____	_____
Total	\$ _____ -	\$ _____ -

STATE OF LOUISIANA

(BTA)

SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2008

	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/08	Revised Budget	Variance Positive/(Negative)
Revenues:					
Intergovernmental Revenues	\$	\$	\$	\$	\$
Federal Funds			-		-
Sales of Commodities and Services			-		-
Other			-		-
Total appropriated revenues	-	-	-	-	-
Expenses:					
Cost of goods sold	\$	\$	\$	\$	\$
Personal services			-		-
Travel			-		-
Operating Services			-		-
Supplies			-		-
Professional services			-		-
Other charges			-		-
Capital outlay			-		-
Interagency transfers			-		-
Debt service			-		-
Other:					
Bad debts			-		-
Depreciation			-		-
Compensated absences			-		-
Interest expense			-		-
Other (identify)			-		-
Total appropriated expenses	-	-	-	-	-
Excess (deficiency) of revenues over expenses (budget basis)	\$	\$	\$	\$	\$

Note: Schedule 5 is only applicable for those entities whose budget is appropriated by the legislature.

STATE OF LOUISIANA

(BTA)

SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION

NON-GAAP BASIS

June 30, 2008

Excess (deficiency) of revenues over expenses (budget basis)	\$ _____
Reconciling items:	
Cash carryover	_____
Use of money and property (interest income)	_____
Depreciation	_____
Compensated absences adjustment	_____
Capital outlay	_____
Disposal of fixed assets	_____
Change in inventory	_____
Interest expense	_____
Bad debts expense	_____
Prepaid expenses	_____
Principal payment	_____
Loan principal repayments included in Revenue	_____
Loan disbursements included in Expenses	_____
Accounts receivable adjustment	_____
Accounts payable/estimated liabilities adjustment	_____
Other	_____
Change in Net Assets	\$ _____

Note : Schedule 5 is only applicable for entities whose budget is appropriated by the legislature

Name of Entity: Louisiana State Board of Nursing
Schedule 8: Schedule of Expenditures of Federal Programs
FYE June 30, 2008

ISIS Agency Number: Non ISIS
Preparer: Roy Hebert

Basis of Accounting Used to Prepare Schedule
Circle One: ☒ Full Accrual ☐ Cash Basis

Phone Number: (225)927-7555

DUNS Number:

EIN Number: 72-

NOTE: If other than cash basis,
please attach description of basis used.

Federal Grantor	Pass-Through Entity	Program Name/Title and Cluster Name	CFDA or Other Identifying No.	Pass-through Entity's Number	Project Name	Award ID Number	Award Period	Cash Disbursements	Receipts/ Issues	Total
<u>Direct Awards:</u> NONE										
<u>Awards from a Pass-Through Entity:</u> NONE										
Total								\$ -	\$ -	\$ -
								\$ -	\$ -	\$ -
								\$ -	\$ -	\$ -

See instructions for completing this form beginning on page 2 of the instructions.

Also, if necessary, a reconciliation of the Schedule 8 to the entity's financial statements is required.

Federal Grantor = the federal agency that provided the federal award to your entity or a pass-through entity.

Pass-Through Entity = the quasi-public agency, local government, other state government, public college or university in another state, et cetera, that provided the federal award to carry out a federal program, if applicable.

Program Name/Title and Cluster Name = the program name from the CFDA catalog; if not available, the name should be taken from the federal award document; the cluster name should come from these instructions if a program falls within a cluster.

CFDA or Other Identifying No. = number presented on the federal award document; if a CFDA number is not available, an other identifying number must be provided along with the 2-digit federal agency prefix, i.e., federal award no., etc.

Pass-Through Entity Number = identifying number assigned by the pass-through entity, if applicable.

Project Name = the name of the grant or project as identified in the accounting records; if the project name is the same as the program, enter SAME.

Award ID = the grant, contract, etc., number that was assigned by the Federal grantor; this number is the number that is used when corresponding with the grantor.

Award Period = the period during which the assistance is available to your entity.

Cash Disbursements = the amount of indirect costs and actual cash disbursements made during the 12 months ended June 30, 2008,

which have or will be funded with Federal funds.

Issues = the dollar value of food stamps, federal commodities, or other nonmonetary assistance issued during the 12 months ended June 30, 2008.

Total = the total amounts in the cash disbursements and issues columns.

Receipts = the receipt of property or the receipt of surplus property.

Name of Entity: Louisiana State Board of Nursing
Schedule 8: Schedule of Expenditures of Federal Programs
FYE June 30, 2008

Preparer: Roy Hebert

Phone Number: (225)927-7555

Loan Information (If applicable):

DUNS Number: _____
 EIN Number: 72- _____

Federal Grantor	Program Name/Title and Cluster Name	CFDA or Other		Project Name	Outstanding Loan Balance
		Identifying No.			

NONE

Total \$ -

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF NURSING
COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2008</u>	<u>2007</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>5,460,535</u>	\$ <u>5,280,389</u>	<u>180,146</u>	<u>3.4%</u>
Expenses	<u>4,499,792</u>	<u>3,316,202</u>	<u>1,183,590</u>	<u>35.7%</u>
2) Capital assets	<u>3,782,199</u>	<u>2,254,526</u>	<u>1,527,673</u>	<u>67.8%</u>
Long-term debt	<u>2,226,971</u>	<u>2,316,008</u>	<u>89,037</u>	<u>3.8%</u>
Net Assets	<u>7,506,573</u>	<u>6,503,695</u>	<u>1,002,878</u>	<u>15.4%</u>

Explanation for change: Capital assets increased as a result of renovation and construction costs on building acquired in prior fiscal year. The difference also includes the cost of furnishings and equipment for the new building.

The increase in nets assets is a result of net income for the year ended June 30, 2008.

SCHEDULE 15

